



TEXAS DEPARTMENT OF HEALTH
INTERNAL AUDIT REPORT 200105

Subject: PROGRESS IN PREPARING FOR COMPLIANCE WITH HIPAA

Findings:

The Department lacks:

- ◆ A complete understanding of the requirements of HIPAA and its impact on its business operations.
- ◆ A documented strategic plan for HIPAA implementation.

Recommendation:

We recommend that the Department:

- Complete a regulatory assessment and interpretation of the finalized rules and conduct a Department-wide HIPAA awareness program.
- Assign responsibility for the HIPAA project.
- Conduct a HIPAA risk assessment and implement a compliance action plan.

Response:

Management agrees and is implementing corrective action.

Responsible Area:

Deputy Commissioner for Operations

Scope: The objective of this review was to determine the Department's progress in preparing for compliance with HIPAA regulations, and is the first in a series of reports on this topic.

The review covered activities through February 2001 and was conducted in accordance with applicable audit standards.

Mark Scott, CPA
Director, Internal Audit Division

Date: March 9, 2001

